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FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-18832

First Federal Financial Corporation of Kentucky
(Exact Name of Registrant as specified in its charter)

Kentucky	61-1168311
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

202 West Dixie Ave.
Elizabethtown, Kentucky 42701
(Address of principal executive offices)
(Zip Code)

(502)-765-2131
(Registrant's telephone number, including are

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ____

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of April 30, 1992
Common Stock	1,071,600 shares

This document is comprised of 12 pages.

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FIRST FEDERAL FINANCIAL CORPORATION OF KENTUCKY

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FIRST FEDERAL FINANCIAL CORPORATION OF KENTUCKY

STATEMENT OF FINANCIAL CONDITION

	March 31, 1992 (unaudited)	June 30, 1991
ASSETS		
Cash	$ 4 380 586	$ 2,461,107
Interesting bearing deposits	13,723,870	8,015.241
Investment securities	4,529,028	4,412,610
Loans receivable, net	197,256,340	194,887,549
Real estate owned	171,039	117,452
Investment in Federal Home Loan Bank Stock	1,642,100	1,609,400
Premises and equipment	2,291,408	1,277,231
Other assets	982,868	579,126
Total Assets	$224,977,239	$213,359,716
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Savings deposits	$185,299,938	$176,051,979
Accrued interest payable	821,250	1,516,663
Accounts payable and other liabilities	894,964	343,387
Borrowed funds	583,797	757,041
Total Liabilities	$187,599,949	$178,669,070
Stockholders' Equity		
Serial preferred stock 5,000,000 shares authorized and unissued	-	-
Common stock, $1 par value per share; 10,000,000 shares authorized; 1,071,600 shares issued and outstanding	1,071,600	1,071,600
Additional paid-in capital	11,926,048	11,926,048
Employee stock ownership trust obligation	(583,797)	(757,041)
Retained earnings-substantially restricted	24,963,439	22,480,039
Total Stockholders' Equity	$ 37,377,290	34,690,646
Total Stockholders' Equity & Liabilities	$224,977,239	$213,359,716
Book Value	$ 34.88	$ 32.37

FIRST FEDERAL FINANCIAL CORPORATION OF KENTUCKY

CONSOLIDATED STATEMENTS OF EARNINGS

	Three Months Ended March 31		Nine Months Ended March 31	
	1992	1991	1992	1991
	(Unaudited)		(Unaudited)	
Interest income:				
Interest on loans	$4,918,220	$4,862,423	$14,836,122	$14,472,31
Interest and dividends on investments and deposits	226,910	216,061	704,298	698,43
Total interest income	$5,145,130	$5,078,484	$15,540,420	$15,170,74
Interest expense:				
Savings deposits	2,647,759	3,127,748	8,464,636	9,380,96
Total interest expense	$2,647,759	$3,127,748	$ 8,464,636	$ 9,380,96
Net interest income	2,497,371	1,950,736	7,075,784	5,789,78
Provision for loan losses	100,000	52,000	315,412	172,00
Net interest income after provision for loan loss	$2,397,371	$1,898,736	$ 6,760,372	$ 5,617,78
Other Income:				
Real estate operations, net	446	4,647	3,331	4,16
Other income	277,152	151,638	671,147	507,51
Gain of Sale of Fixed Asset	-	-	614,345	-
Total other income	$ 276,706	$ 156,285	$ 1,282,161	$ 511,67
Other expense:				
Employee compensation and benefits	387,974	363,537	1,170,713	1,095,72
Occupancy expense	104,270	77,351	288,625	227,67
Federal insurance premium	98,325	90,985	287,067	245,77
Other expense	413,652	327,632	1,216,425	1,052,11
Total other expense	$1,004,221	$ 859,505	$ 2,962,830	$ 2,621,29
Income before taxes	1,669,856	1,195,516	5,079,703	3,508,16
Income taxes	610,240	392,821	1,682,231	1,192,66
Net income	$1,059,616	$ 802,695	$ 3,397,472	$ 2,315,50
Net income per share of common stock	$ 0.99	$ 0.75	$ 3.17	$ 2.1

First Federal Financial Corporation of Kentucky

Consolidated Statements of Stockholders' Equity

	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Employee Stock Ownership Trust Obligation	Total
Balance July 1, 1988	1,058,000	$1,058,000	$11,769,648	$16,518,115	($1,164,930)	$28,180,833
Net earnings	-	-	-	2,853,686	-	2,853,686
Principal repayments on ESOP loan	-	-	-	-	95,267	95,267
Common stock proceeds	1,600	1,600	18,400	-	-	20,000
Cash dividends declared	-	-	-	(1,059,600)	-	(1,059,600)
Balance June 30, 1989	1,059,600	$1,059,600	$11,788,048	$18,312,201	$(1,069,663)	$30,090,186
Net earnings	-	-	-	3,084,929	-	3,084,929
Principal repayments on ESOP loan	-	-	-	-	171,711	171,711
Common stock proceeds	4,000	4,000	46,000	-	-	50,000
Cash dividends declared	-	-	-	(1,063,600)	-	(1,063,600)
Balance June 30, 1990	1,063,600	$1,063,600	$11,834,048	$20,333,530	($897,952)	$32,333,226
Net earnings	-	-	-	3,295,269	-	3,295,269
Principal repayments on ESOP loan	-	-	-	-	140,911	140,911
Exercise of stock options	8,000	8,000	92,000			100,000
Cash dividends declared				(1,178,760)		(1,178,760)
Balance June 30, 1991	1,071,600	$1,071,600	$11,926,048	$22,450,039	($757,041)	$34,690,646
Net earnings				3,397,472		3,397,472
Principal repayments on ESOP loan					173,244	173,244
Cash dividends declared				(884,072)		(884,072)
Balance March 31, 1992	1,071,600	$1,071,600	$11,926,048	$24,963,439	($583,797)	$37,377,290

See notes to consolidated financial statements

FIRST FEDERAL FINANCIAL CORPORATION OF KENTUCKY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	March 31, 1992	March 31, 1991
Operating Activities:		
Net income	$ 3,397,472	$ 2,135,504
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses and real estate owned	315,412	172,000
Provision for depreciation	74,567	102,461
Amortization of deferred loan fees	(96,513)	(34,047)
Increase (Decrease) in interest payable	(695,413)	(575,258)
Decrease in other assets	(403,742)	292,078
Increase (Decrease) in accounts payable and other liabilities	551,577	(84,734)
Net cash provided by operating activities	$ 3,143,360	$ 2,177,472
Investing Activities:		
Purchases of investment securities	(115,865)	(14,175)
Principal collected on loans	49,556,095	22,225,196
Loans originated	(52,384,803)	(31,800,855)
Purchases of premises and equipment	(1,088,744)	(108,589)
Purchases of Federal Home Loan Bank stock	(32,700)	(81,700)
Sales of real estate acquired in settlement of loans	186,878	512,635
Net cash used by investing activities	(3,879,139)	(9,267,488)
Financing Activities:		
Net increase (decrease) in demand deposits, NOW accounts, and savings accounts	6,175,547	(159,489)
Proceeds from sales of certificates of deposits	42,697,367	48,556,799
Payments for maturing certificates of deposit	(39,624,955)	(39,564,916)
Dividends Paid	(884,072)	
Net cash provided by financing activities	8,363,887	9,151,372
Increase (decrease) in cash equivalents	7,628,108	(2,061,356)
Cash and cash equivalents at beginning of year	10,476,348	12,118,735
Cash and cash equivalent at end of period	$ 18,104,456	$ 14,480,091

See accompanying notes to consolidated financial statements

FIRST FEDERAL FINANCIAL CORPORATION OF KENTUCKY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 1992
(UNAUDITED)

(1) Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all disclosures required by generally accepted accounting principles for complete financial statements. In the opinion of Management of First Federal Financial Corporation of Kentucky, the consolidated financial statements reflect all adjustments necessary to present fairly its consolidated financial position as of March 31, 1992 and June 30, 1991 and the consolidated results of operations and cash flows for the nine month period ended March 31, 1992 and 1991.

(2) Principles of Consolidation

The consolidated financial statements include the accounts of the corporation and its wholly-owned subsidiary, First Federal Savings Bank. All significant intercompany transactions and balances have been eliminated.

(3) Earnings per share

Net income per share of common stock is computed by dividing net income for the period by 1,071,600, the number of shares of common stock issued and outstanding for the period. Common stock equivalents have not been used in computing net income per share because their effect is not material.

Earnings per share for the three month period ending March 31, 1991 was determined by dividing net income by 1,063,600 the number of shares issued and outstanding for the period. Common stock equivalents have not been used in computing net income per share because their effect is not material.

(4) Deferred Loan Fees

Effective July 1, 1988, management adopted Statement of Accounting Standards No. 91 (SFAS 91) In connection with its adoption, loan origination fees (net of certain direct origination costs) will be deferred and amortized into interest income using the level yield method over the contractual life of the loan. Management intends to apply SFAS 91 on a prospective basis.

(5) Cash Flow Activities

The following information is presented as supplemental disclosure to the statement of cash flows, as required by Statement of Financial Accounting Standards No. 95.
(a) Cash paid during the three months ended March 31 for:

	1992	1991
Interest expense	$9,271,392	$10,045,283
Income taxes	$1,119,506	$ 2,065,624

(b) For purposes of the statement of cash flows, the Company considers all highly debt instruments purchased with a maturity of three months or less to be cash equivalents.

MANAGEMENTS DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis covers any material changes in the financial condition since June 30, 1991 and any material changes in the results of operations in the three month and nine month periods ending March 31, 1992. This discussion and analysis should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the 1991 Annual Report to Shareholders.

Financial Condition

First Federal Financial Corporation of Kentucky's ("the Corporation") total assets were $224,977,239 representing a $11,617,523 (5.4%) increase over the June 30, 1991 period. Total assets at March 31, 1992 were up $14,389,997 (6.8%) over the same period ending March 31, 1991.

The Corporation continues to experience a manageable level of growth at a time when many financial institutions are struggling to maintain the their deposit base. Additions to assets during the period were provided by net deposits, interest credited to savings accounts and earned income.

Results of Operations

(The following discussion is limited to comments about First Federal Savings Bank since First Federal Financial Corporation of Kentucky produced no significant income other than the income produced by the Bank, the Corporation's only subsidiary.)

The Bank's income is derived primarily from the difference between interest income earned on it loans and investment portfolio and interest paid on deposits. Earnings are also affected by loan fees, service charge income, provisions for loan losses, operating expenses and income tax provisions for loan losses, operating expenses and income tax provisions. Additionally, First Service Corporation, a wholly owned subsidiary, contributed $18,700 during the third quarter to net income from the sale of alternative investment products and insurance.

Net income totalling $1,059,616 for the three month period ending March 31, 1992 was a Corporation record for a quarter when no extraordinary income items were included, representing a $256,921 (32%) increase over the same period in 1991.

The increase in loan interest income of $55,797 (1.1%) for the period ending March 31, 1992 as compared to the same period in 1991

was the result of a $4.5 million increase in the total loans outstanding. Increased loan volume was funded by a $11.9 million increase in the deposit base with any excess deposits being invested in short term investments. Loans comprised 90.8% of the Bank's earning assets down from 94.1% in the same period in 1991. The reduction in interest expense of $479,989 (15.3%) for the three months ending March 31, 1992 when compared to the same period in 1991 was attributable to a continuing decline in interest rates paid on all savings deposits.

The addition to the loan loss reserve was $100,000 during the quarter ended March 31, 1992 bringing total reserves to $1,053,000. The Bank is continuing to build its reserves to bring them in line with industry standards and the expectations of the Bank's regulators, even though the Bank's actual loss experience has not significantly increased. The loan loss reserve was .53% of total loans at quarter end compared to .35% of loans in the same period a year ago.

Other expenses (expenses other than interest and taxes) for the quarter ending March 31, 1992 increased $144,716 (16.8%) when compared to the same period in 1991. The increase in the expense area was due primarily to increased occupancy expense associated with the sale of the home office building and construction of the new home office, a moderate increase in the FDIC insurance premium and other normal and expected increases in operating costs.

Income tax expense increased $217,419 for the quarter ending March 31, 1992 when compared to the same period in 1991. This additional tax liability is due to increased earnings when comparing the two periods.

Liquidity and Capital Resources

Shareholders equity rose to $37,377,290 at quarter ended March 31, 1992 as compared to $34,690,646 on June 30, 1991. The increase of $2,686,644 (7.7%) results from the addition of net profits to the retained earnings account and a reduction in the Employee Stock Ownership Trust Obligation (loan). These additions to Shareholder equity increased the book value of the Corporation's stock to $34.11. The closing sale price of the stock on April 22, 1992 was $30.00 per share.

Current regulations require the Corporation's subsidiary, First Federal Savings Bank, to maintain minimum specific levels of liquid assets, (currently 5%) of cash and eligible investments to savings deposits and short term borrowings. As of March 31, 1992, the Bank's liquid assets were $21.8 million representing 12.00% of its liquidity base.

Regulatory capital for the Bank, under the Office of Thrift Supervision's most stringent requirements, as of March 31, 1992 was

$9.5 million. The Bank's capital exceeds this requirement by $27.9 million or 3.9 times the required level of capital.

As of March 31, 1992, the Bank had loan commitments of approximately $8.4 million and undisbursed loans of $1.4 million. These commitments will be funded by excess liquid assets and/or cash flow from principal payments.

Part II. Other Information

Item 1. Legal Proceedings
Not Applicable

Item 2. Changes in Securities
Not Applicable

Item 3. Defaults Upon Senior Securities
Not Applicable

Item 4. Other Information
Not Applicable

FIRST FEDERAL FINANCIAL CORPORATION OF KENTUCKY

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIRST FEDERAL FINANCIAL CORPORATION
OF KENTUCKY

DATE: May 13, 1992

BY
Larry W. Logsdon
President and Chief Executive Officer
(Duly Authorized Representative)

DATE: May 13, 1992

BY _____
H. Dennis Young
Sr. Vice President, Treasurer & Chief Operating Officer